

Wednesday January 23, 2:13 pm Eastern Time

Press Release

SOURCE: Star Scientific, Inc.

Star Scientific, Inc. Issues Statement On Ariva Test Marketing, Fourth Circuit Opinion

CHESTER, Va.--(BUSINESS WIRE)--Jan. 23, 2002--Star Scientific, Inc. (NASDAQ) issued the following statement regarding test marketing of Ariva(TM), and the opinion of the Fourth Circuit Court of Appeals in *Star Scientific, Inc. v. Beales, et al.*:

While we clearly are disappointed with the Fourth Circuit's opinion, it in no way diminishes our conviction that both the Tobacco Master Settlement Agreement (MSA), and the Qualifying State Statutes that it mandated, are hobbled with significant constitutional infirmities. Star Scientific challenged these flaws because of its obligation to its shareholders to attempt to secure a return of funds the company has escrowed pursuant to the MSA, a substantial portion of which was intended for accelerated scientific research directed at demonstrating that drastic reductions of TSNA levels in tobacco translates to a quantifiable reduction in health risk. For this reason we intend to pursue all rights of appeal that are available to us, including the filing of a petition for a writ of certiorari with the United States Supreme Court.

While challenging the inherent unfairness and constitutional infirmities of both the MSA and Qualifying Statutes, we have deposited approximately \$28 million into escrow, under protest, during the past two years. We believe that this is the largest amount of escrow deposited by any tobacco company defined as a "non-participating manufacturer" under the MSA. We continue to believe, therefore, that it is in the best interests of both the company and its shareholders to continue to pursue our constitutional challenges.

Notwithstanding our challenge to the MSA, Star Scientific increasingly has focused its attention, energies and corporate resources on the development, production and marketing of three smokeless tobacco products: Stonewall(TM) moist and dry snuffs, and Ariva(TM) powdered, compressed tobacco cigarette(TM) pieces, which are not subject to the escrow requirements of either the MSA or the Qualifying Statutes. These products are integral to our mission because as low-TSNA(1) smoke-free tobacco products, they expose neither the user nor those nearby to many of the toxic constituents found in cigarette smoke. Moreover, these products provide a viable alternative to adult smokers in situations where they cannot or choose not to smoke. The test marketing of Ariva(TM) was launched on November 14, 2001, in the Richmond, VA and Dallas, TX metropolitan areas. Early sales results and adult consumer responses have been positive. As we learned in our initial focus groups and surveys, Ariva(TM) is being chosen by long-term adult smokers because of its taste, tobacco satisfaction and convenience for a variety of occasions when they can't smoke. We also were pleased to learn, in late December, that Ariva(TM) was chosen by the Market Intelligence Service's Product Alert magazine as one of the top ten domestic product innovations of 2001.

Distributors' responses to Ariva's(TM) test market caused us to conclude that broader distribution in multiple states is warranted. For example, CVS already has introduced Ariva(TM) into 46 of its stores in the Richmond and tri-city areas. We believe that continuing consumer acceptance will prompt other chains to distribute Ariva(TM) in retail stores as well. Based on results to date, we anticipate that Ariva(TM) will be carried in approximately 10,000 retail stores within the next 60 to 90 days. To accommodate this demand, the company's manufacturing and packaging facility in Chase City, VA, is now operating two shifts, six days per week, and the company has placed orders for machinery to accommodate two additional packaging lines. Support from the Mecklenburg County Board of Supervisors for this expansion has been very gratifying.

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company has tried, whenever possible, to identify these forward-looking statements using words such as "anticipates", "believes", "estimates", "expects", "plans", "intends" and similar expressions. These statements reflect the Company's current beliefs and are based upon information currently available to it. Accordingly, such forward-looking statements involve known and unknown risks, uncertainties and other factors which could cause the Company's actual results, performance or achievements to differ materially from those expressed in, or implied by, such statements. These risks, uncertainties and contingencies include, without limitation, the fact that the Company may not be successful in litigation to enforce its patent rights, that tobacco companies and others potentially infringing its patent may not enter into royalty agreements to sublicense its patents, that the tobacco industry may not adopt low-TSNA tobacco as its predominant tobacco rapidly or at all, or that a non-infringing product competitive with the patents may be developed by a third party. Other risks of the business include the challenges inherent in new product development initiatives, the Company's ability to raise the capital necessary to grow its business, potential disputes concerning the Company's intellectual property, potential delays in obtaining any necessary government approvals of the Company's proposed reduced risk tobacco products, market acceptance of the Company's proposed new products, competition from companies with greater resources than the Company, the Company's decision not to join the Master Settlement Agreement ("MSA") and its decision to challenge the constitutionality of the MSA, the effect of state statutes adopted under the MSA and any subsequent modification of the MSA, the Company's dependence on key employees and on its strategic relationships with Brown & Williamson Tobacco Corporation. The impact of potential litigation, if initiated against or by individual states that have adopted the MSA, could be materially adverse to the Company. See additional discussion under "Factors That May Affect Future Results" in the Company's Annual Report on Form 10-K for the year ended December 31, 2000, and other factors detailed from time to time in the Company's other filings with the Securities and Exchange Commission. The Company undertakes no obligation to update or advise upon any such forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.

About Star Scientific

Star Scientific is a technology-oriented tobacco company with a toxin reduction mission. It is engaged in the development of tobacco products that deliver fewer carcinogenic toxins (principally tobacco specific nitrosamines, or TSNAs), through the utilization of the innovative StarCured(TM) tobacco curing technology, and in sublicensing that technology to others. Star Scientific has a Corporate and Sales Office in Chester, VA, an Executive, Scientific & Regulatory Affairs office in Bethesda, MD, and manufacturing, packaging and tobacco processing facilities in Petersburg and in Chase City, VA . See Star's website at: <http://www.starscientific.com> (1) TSNAs (tobacco specific nitrosamines) are widely known to be among the most powerful and abundant carcinogens in tobacco leaf and smoke. Some respected scientists also believe that TSNAs are the major, if not the only, group of toxins in smokeless tobacco.

Contact:

Star Scientific, Inc., Chester